



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 5, 2004

### **H.R. 5082**

### **Public Transportation Terrorism Prevention and Response Act of 2004**

*As ordered reported by the House Committee on Transportation and Infrastructure  
on September 29, 2004*

#### **SUMMARY**

H.R. 5082 would authorize the Secretary of Transportation to provide grants to transit agencies to improve the security of transit systems and grants to operators of over-the-road buses to improve the security of buses and bus terminals. (Over-the-road buses are characterized by an elevated passenger deck above a baggage compartment.) The bill also would authorize the Secretary to cover the costs of the Information Sharing and Analysis Center (ISAC) for Public Transportation. For these activities, H.R. 5082 would authorize the appropriation of \$3.5 billion over the 2005-2007 period. Assuming appropriation of the authorized amounts, CBO estimates that implementing H.R. 5082 would cost almost \$3 billion over the 2005-2009 period and about \$500 million after 2009.

In addition to authorizing appropriations for grants and for the ISAC, the bill would require the Department of Transportation to assess the security of transit systems and over-the-road bus facilities, report to the Congress on the use of the grants for transit security, and issue guidelines for training transit employees to respond to threat conditions. Assuming appropriation of the necessary amounts, CBO estimates that implementing these provisions would cost about \$1 million each year over the 2005-2007 period.

CBO estimates that enacting the legislation would not affect direct spending or revenues.

H.R. 5082 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA), because it would require certain public transportation agencies to participate in an information clearinghouse and to conduct security training of employees. CBO cannot estimate the aggregate costs of these requirements, but based on government and industry sources, we expect that they would exceed the threshold established in that act (\$60 million in 2004, adjusted annually for inflation) in at least one of the first five years after enactment. The bill would authorize appropriations of funds to cover these costs. The legislation contains no private-sector mandates.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5082 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2005	2006	2007	2008	2009
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>					
Estimated Authorization Level	1,227	1,177	1,132	0	0
Estimated Outlays	272	633	877	760	443

## BASIS OF ESTIMATE

H.R. 5082 would authorize the Secretary of Transportation to provide grants to transit agencies and operators of over-the-road buses for security-related activities. The bill also would authorize the Secretary to cover the costs of the ISAC for Public Transportation. Finally, the bill also would require the government to conduct security assessments, report on grant activities, and issue guidance for a training program.

For this estimate, CBO assumes H.R. 5082 will be enacted in early fiscal year 2005 and that the authorized amounts will be appropriated for each year. Estimates of spending are based on information from the Department of Transportation and historical spending patterns of similar programs.

## Security Grants

H.R. 5082 would authorize the appropriation of about \$2.5 billion over the 2005-2007 period for grants to transit agencies for capital investments to improve the security of transit systems. The bill would authorize the appropriation of another \$900 million over same period for grants to transit agencies for operational improvements to security such as training, emergency drills, or public awareness campaigns. Finally, the bill would authorize the appropriation of \$150 million over the same period for grants to operators of over-the-road buses for improvements to the security of their buses and bus terminals. Assuming appropriation of the authorized amounts, CBO estimates these provisions would cost almost \$3 billion over the 2005-2009 period and about \$500 million after 2009.

## **ISAC for Public Transportation**

The ISAC for Public Transportation distributes information to public transit agencies on security threats and helps transit agencies share security-related information. H.R. 5082 would authorize the appropriation of \$1 million for each year over the 2005-2007 period for the Secretary of Transportation to cover the costs of the ISAC. Assuming appropriation of the authorized amounts, CBO estimates that implementing this provision would cost \$3 million over the 2005-2007 period.

## **Assessments, Reports, and Guidance**

H.R. 5082 would require the Department of Transportation to assess the security of transit systems and over-the-road bus facilities. The bill also would require the Department to report to the Congress on the use of the grants for transit security. Finally, the bill would require the department to issue guidelines for training transit employees to respond to threat conditions. Assuming appropriation of the necessary amounts, CBO estimates that implementing these provisions would cost about \$1 million each year over the 2005-2007 period.

## **ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS**

Section 105 would require public transportation agencies that the Secretary of Homeland Security determines to be at significant risk of terrorist attack to participate in the Information Sharing and Analysis Center for Public Transportation. Section 107 would require public transportation agencies that are subject to security assessments to develop and train employees on security procedures. Those requirements are intergovernmental mandates as defined in UMRA. CBO cannot estimate the costs of meeting these requirements primarily because the security assessments have not been completed and it is not clear how many agencies would have to conduct employee training. Based on government and industry sources, however, we expect that those costs likely would exceed the threshold as defined in UMRA (\$60 million in 2004, adjusted annually for inflation) in at least one of the first five years after enactment. The bill would authorize appropriations of funds to cover these costs.

Public transportation agencies also would benefit from grants to upgrade transit security; any requirements would be conditions of receiving federal assistance.

## **ESTIMATED IMPACT ON THE PRIVATE SECTOR**

H.R. 5082 contains no private-sector mandates as defined in UMRA.

### **PREVIOUS CBO ESTIMATE**

On May 27, 2004, CBO transmitted a cost estimate for the Public Transportation Terrorism Prevention Act of 2004 as ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs on May 6, 2004. The Senate version of this bill would authorize the appropriation of \$5.2 billion for grants to transit agencies to improve the security of their systems, but it would not authorize grants to operators of over-the-road buses. The cost estimates reflect these differences.

On May 22, 2003, CBO transmitted a cost estimate for S. 929, the Max Cleland Over-the-Road Bus Security and Safety Act of 2003, as ordered reported by the Senate Committee on Commerce, Science, and Transportation on May 1, 2003. S. 929 would authorize the appropriation of \$124 million for grants to operators of over-the-road buses to improve the security of their facilities, but it would not authorize grants to transit agencies. The cost estimates reflect these differences.

On March 10, 2003, CBO transmitted a cost estimate for H.R. 875, the Over-the-Road Bus Security and Safety Act of 2003, as ordered reported by the House Committee on Transportation and Infrastructure on February 26, 2003. H.R. 875 would authorize the appropriation of \$99 million for grants to operators of over-the-road buses to improve the security of their facilities, but it would not authorize grants to transit agencies. The cost estimates reflect these differences.

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